

Washington State Auditor's Office

Audit Report

Audit Services

Report No. 57817

GRANT COUNTY PUBLIC HOSPITAL DISTRICT No. 2
DBA QUINCY VALLEY HOSPITAL

Grant County, Washington

January 1, 1995 Through December 31, 1995

Issue Date: October 25, 1996

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GRANT COUNTY PUBLIC HOSPITAL DISTRICT NO. 2
DBA QUINCY VALLEY HOSPITAL
Grant County, Washington
January 1, 1995 Through December 31, 1995

**Independent Auditor's Report On Compliance With State
Laws And Regulations**

Board of Commissioners
Grant County Public Hospital District No. 2
Quincy, Washington

We have audited the financial statements, as listed in the table of contents, of Grant County Public Hospital District No. 2, Grant County, Washington, as of and for the fiscal year ended December 31, 1995, and have issued our report thereon dated June 7, 1996.

We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the district complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the district's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance, or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the district and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*.

This report is intended for the information of management and the public and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Brian Sonntag
State Auditor

June 7, 1996

GRANT COUNTY PUBLIC HOSPITAL DISTRICT NO. 2
DBA QUINCY VALLEY HOSPITAL
Grant County, Washington
January 1, 1995 Through December 31, 1995

Status Of Prior Findings

The finding contained in the prior audit report was resolved as follows:

1. The District Should Improve Accounts Receivable Collection Procedures

Resolution: During the 1995 audit, significant improvements were noted. The clinic and hospital business office operations were consolidated. This alleviated many of the communication problems. The district also hired an experienced business office manager who organized the business office, trained staff, and implemented accounts receivable collection procedures. We will continue to monitor the district's progress in this area.

GRANT COUNTY PUBLIC HOSPITAL DISTRICT NO. 2
DBA QUINCY VALLEY HOSPITAL
Grant County, Washington
January 1, 1995 Through December 31, 1995

Independent Auditor's Report On Financial Statements

Board of Commissioners
Grant County Public Hospital District No. 2
Quincy, Washington

We have audited the accompanying financial statements of Grant County Public Hospital District No. 2, Grant County, Washington, as of and for the fiscal years ended December 31, 1995 and 1994, as listed in the table of contents. These financial statements are the responsibility of the district's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grant County Public Hospital District No. 2 at December 31, 1995 and 1994, and the results of its operations and cash flows for the fiscal years then ended, in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the district will continue as a going concern. As discussed in Note 3 to the financial statements, the district's significant operating losses raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Brian Sonntag
State Auditor

June 7, 1996